



state senator Patricia Miller

2006 LEGISLATIVE UPDATE

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Major Moves

This year, the General Assembly passed Major Moves, a road funding plan that includes leasing the Indiana Toll Road to a private company for 75 years for \$3.8 billion.

Over the last decade, the Indiana Toll Road has not been a source of revenue. In fact, the interstate has lost money in five of the last seven years.

The state's 10-year road plan will be funded with the \$3.8 billion. Enough money will be left over for a Next Generation Trust Fund. The fund, which will start with \$500 million, will gain interest for five years. In 2011, and every five years thereafter, the state will withdraw the interest and use it for needed road construction projects. The original \$500 million, however, will not be touched. This will ensure that future generations have money to maintain and build roads.

Private companies have more capital available and have more financing options than state government. In addition, Statewide Mobility Partners (SMP) is world-renowned for operating toll facilities. The company has decades of experience in providing efficient, high-quality transportation to motorists. The company will be able to offer better service at less of an expense than the state.

In 1954, \$280 million in bonds were issued to build the Indiana Toll Road. Today, we

have approximately \$225 million in outstanding bonds. The state has only been able to afford paying down \$55 million of debt in 52 years. The lease payment is enough to pay off outstanding bonds, give \$40 million to each Toll Road county, and distribute more throughout the rest of the state.



Senator Miller studies a bill in a committee meeting this session. Committees meet throughout session to hear public testimony before a bill is heard before the full Senate.

Permanent Property Tax Reduction Still Needed

Homeowners in Indiana can take some comfort from actions taken on the last session day of the General Assembly. Legislators passed a bill that will increase the state's Homestead Credit from 20 percent to 28 percent. As a result, the state will increase spending by \$100 million in 2006 to reduce property tax bills for every Hoosier homeowner. The tax bill for the average homeowner will be reduced by about 5 percent. Some taxpayers will see an actual reduction. Taxpayers living in districts where new schools, fire stations or libraries are being built may not see an actual reduction. However, the tax bill for every homeowner in the state will be reduced as a result of the new law.

In 2007 the standard deduction for homeowners will be increased from \$35,000 to \$45,000. This will lower property taxes for homeowners by about 5 percent for 2007.

The General Assembly was successful in passing a 2 percent cap on property taxes. Beginning in 2008, no homeowner will be required to pay more than 2 percent of the assessed value of their home in property taxes.

These measures are only short term fixes. The General Assembly was unable to come to an agreement on how to provide permanent property tax relief. Taxpayers can expect little relief past 2006. There are two factors working together to push property taxes

higher for homeowners. First, local tax levies fueled primarily by new construction are growing too quickly. Property taxes grow each year to fund normal increases for such things as fuel, utilities and employee health insurance. These kinds of normal operating costs are not a big problem. State funds are now used to pay for more than 80 percent of



Senator Miller presents the 2005 Warren Central High School state championship football team. Senator Miller often recognizes individuals and groups during the legislative session for outstanding achievements.

school operating budgets. So, school operating increases are not fueling big property tax increases. Troublesome increases in property tax levies result primarily from new construction.

Debt incurred to finance construction of new schools, libraries and fire stations is funded almost exclusively by property taxes. On a statewide basis from 2001 to 2005 school debt service levies alone grew from \$627 million to \$977 million - an average annual increase of 11.7 percent.

For many years property was reassessed every 5 or 6 years. To avoid the big jumps in assessed value that occurred with each reassessment the General Assembly passed legislation that will require "annual adjustments" in assessed values. This will smooth out the big increases that normally occur with reassessment and provide for more stability in the assessing system.

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EMINENT DOMAIN LAW PROTECTS PROPERTY OWNERS

We are all familiar with the concept of "life, liberty, and the pursuit of happiness" set out in our Declaration of Independence. At the time the Declaration was issued, many Americans listed such basic God-given human rights as "life, liberty and property."

Last summer, the U.S. Supreme Court issued a ruling that threatens the right to own property. In *Kelo v. City of New London*, the court said that government may "take" private property for economic development. As then-Justice Sandra Day O'Connor wrote, "Nothing is to prevent the state from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory."

The Supreme Court, however, left a loophole, saying legislatures may further restrict the use of eminent domain. This year, the General Assembly did exactly that.

The new law requires that eminent domain can only be used for a government purpose.

The law includes placing time restrictions on eminent domain so that property owners are not left in doubt for years at a time.

When used appropriately, eminent domain is an important tool that can help provide roads, parks, and schools for public use.

This law ensures that this tool is not abused at the expense of Hoosiers' right to own private property.

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Senator Miller speaks on a bill before the full Senate.

SENATE BILL SEEKS TO PREVENT GANG VIOLENCE

Just a few years ago, Hoosiers saw gang violence as a big-city problem. Sadly, places like Los Angeles and New York are no longer the only areas dealing with this type of crime.

In 2001, every city with a population of 250,000 reported the existence of gang activity as did over two-thirds of cities with 50,000 residents. This problem is traveling from the cities to rural areas. Gang crime has reached epidemic proportions, and part of the problem can be attributed to weak penalties for gang activity and a loophole in state law.

In his "State of the Streets" address this year, Marion County Prosecutor Carl Brizzi pointed out that habitual criminals and gang members are being caught with fake IDs. But under current law, simply having fraudulent identification is not a crime. A new law removes that loophole and will discourage would-be criminals from making and selling fake IDs.

This bill gives prosecutors the tools they need to severely punish gang-related crime by doubling the jail sentence for a person who commits a crime affiliated with a gang activity. These stricter penalties can go a long way toward making our streets safer.

We must be proactive in our fight against these destructive groups. The legislature will do whatever it can to prevent the spread of gang activity. The new law makes it clear that if gang members commit a crime in Indiana, they will be punished—severely.

A new law establishes a military family relief fund for Indiana National Guard members and Indiana armed forces reservists called into active duty after September 11, 2001. It is modeled after a similar program enacted in Illinois in 2003.
PASSED. My vote: YES

General Assembly Action to Protect Children

Various pieces of legislation strengthen Indiana's sex offender laws

Indiana's children are our state's most precious assets. Sadly, nearly 67 percent of all reported sexual assault crimes are committed against children. In fact, 34 percent of sexual assault victims are under age 12. One in seven is under age 6. Despite efforts to protect children, there are still sexual predators who prey on their innocence. This session, several bills were filed in an effort to close loopholes and strengthen Indiana's child protection laws.

The only way to help prevent predators from striking twice is to ensure their whereabouts are known by law enforcement agencies. This year, the General Assembly created legislation that requires convicted sexual predators to wear a Global Positioning Satellite monitoring device at all times.

New legislation also specifies that a principal residence is the residence where the offender spends the most time. If a sex offender plans to spend more than 72 hours away from his/her principal residence, the individual must notify both the local law enforcement agency and that of the city or county of visitation with a complete itinerary, including a return date.

Also with this newly enacted legislation, any person at least 18 years old who is convicted of child molesting for a second time may be placed on lifetime parole once his or her prison term is complete. Any individual

convicted of at least two child molesting crimes in another state whose parole is transferred to Indiana is also required to be placed on lifetime parole. The General Assembly has also been successful in preventing courts from granting petitions for adoption or legal guardianship to a sexually violent predator or someone who commits child molestation.

In an attempt to modernize the web site, the Department of Corrections (DOC) has been given more authority over sex offenders by receiving control of the state sex offender registry. The DOC is now also required to register all sex offenders before they are released from incarceration.

This year's legislation also prohibits a sexually violent predator from living within 1,000 feet of any school, public park or program center; nor is a sexually violent predator permitted to live within one mile of the victim's residence. It also prohibits any sexually violent predator from working or volunteering on school property, public parks, youth centers, or amusements aimed at attracting children.

Too often, sex offenders are released from prison, supposedly rehabilitated, only to repeat their crimes or commit worse offenses. Statistics show that sex offenders are four times more likely than non-sex offenders to be arrested for another sex crime after being discharged from prison. These initiatives can help provide protection for our most vulnerable Hoosiers — our children.

This session, I authored a bill protecting the rights of bariatric surgery patients. The bill provides that patients be fully informed of possible complications that follow bariatric surgery.
PASSED. My vote: YES



Senator Miller discusses a bill on the Senate floor with Senator Connie Lawson.

Property Taxes -continued from page 1-

The first "annual adjustment" will be reflected in 2007 tax bills. However, since it has been five years since property was last reassessed, this first "annual adjustment" will feel more like a general reassessment. It is estimated the assessed value of residential property may rise by as much as 30 percent, much faster than increases for business property. If this occurs, it will result in a significant shift in property taxes from business property to residential property and farmland. It is estimated that in 2007, on a statewide average basis, property taxes on homesteads will increase by 15.5 percent. Increases could be higher in areas where new schools or libraries are being constructed.

This is why Senate Republicans, with strong bipartisan support, have been pushing for alternative sources of local revenue. In each of the last two sessions, the Senate has passed legislation that would allow local units of government and taxpayers the opportunity to shift funding for local government from a property tax base to an income tax base. Essentially, each county would be able to choose whether to raise new revenue from property taxes or from local income taxes. If a county chooses income taxes, property tax levies for all operating budgets would be frozen at current levels. The shift in revenue

sources would occur without an overall increase in taxation. This plan would have led to a reduction in property taxes of about 20 percent in every county that made the switch.

Statistics show that Indiana ranks among the worst in the nation in reliance on property taxes to fund local government. Indiana funds 89 percent of local government with property taxes. The national average is 78 percent and falling. That makes Indiana the 15th worst property tax state in the nation.

Also, Indiana is 14th worst in the nation in reliance upon property taxes in relation to sales and income tax. Property taxes provide 37.2 percent of total revenue, compared to the national average of 32.4 percent and falling.

Property taxes, which are levied and collected by local - not state - government, fund local entities such as cities, towns, townships, schools, libraries, and fire departments.

The General Assembly has acted to provide property tax relief for homeowners for 2006. However, unless Indiana moves to decrease reliance on property taxes and allow local government alternative ways to generate revenues, it will be difficult to protect homeowners from continued sharp increases in property taxes.

Telecom Bill Will Save Money for Hoosiers

While much of the discussion in this year's session centered on physical infrastructure like roads and bridges, the General Assembly made a historic change in its unseen infrastructure. Through reforms made in the new law, Indiana will see lower cable prices, increased competition and a wave of investment in the state.

Experts have called the new law the most aggressive telecommunications reform in the nation and say it will likely be a model that other states are sure to follow. It contains two major provisions:

Statewide Video Franchising - Following the model used in Texas, the bill creates a streamlined process through which video providers (such as cable companies) can enter a market and compete for customers. Known as statewide video franchising, this process will result in more video competition and lower prices for consumers. Since September, when Texas statewide franchising went into effect, more than 120 franchises have been

granted to competing companies.

The current virtual monopoly of cable providers are eliminated and give most Hoosiers a choice in video service. In February, Ball State University's Digital Policy Institute released a study saying Hoosiers could save a total of \$262 million on their cable bills annually as a result of new choices.

Telephone deregulation - A recent survey of CEOs in Site Selection Magazine showed that access to high-speed communications is the most important factor in drawing new business development to a particular state. The law encourages telephone companies to deploy more high-speed Internet, called broadband, by gradually deregulating basic phone services if a broadband is made available. Companies must be able to offer high



speed Internet to 50 percent of households in any given exchange before they can raise rates in that exchange. Monthly basic rates may increase by only \$1 per year until 2009.

The new law also contains protection for low-income Hoosiers. By establishing the Indiana "Life Line" program that provides discounted telephone rates to Hoosiers below 150 percent of the federal poverty level. This is a supplement to the federal program, which aids consumers with a household income below 135 percent of the federal poverty level. Consumers will also be protected through a ban on "local measured service," which is the practice of charging by the minute for local phone calls.

This legislation was an opportunity to create jobs while lowering prices and improving customer satisfaction. Independent think-tank FreedomWorks has said the telecom bill will create 20,000 new jobs and \$7 billion in investment in Indiana.

A new law makes several provisions regarding school student health and nutrition, including the establishment of a student health advisory council, nutritional requirements for foods and beverages, and daily physical activity for students.
PASSED. My vote: YES

Known as "Reverse 911", this new law creates an automated emergency notification system that calls households and provides residents with a recorded message, notifying them of weather conditions, or other emergencies.
PASSED. My vote: YES

A bill I authored requires the Bureau of Motor Vehicles to issue personalized license plates annually. The bill also requires the BMV, before Oct. 1 of each year, to notify personalized license plate holders and remind them of the need to renew the plate by Oct. 31. **PASSED. My vote: YES**